

## LOAN SERVICING AGREEMENT

This Loan Servicing Agreement ("Agreement") is made by and between US Loan Servicing ("USLS") and the individuals and/or entities listed and described on Exhibit "A" attached hereto (hereinafter "Lender").

### RECITALS

A. USLS is a loan servicing company doing business in Clark County, Nevada.

B. Lender has loaned money to various borrowers (the term "Borrower" shall include single and married persons, corporations, trusts, partnerships and all other legal entities) in which loans were originated by Private Capital LLC, and are secured by interest in real and/or personal property. A description of the loan(s), property, and/or other relevant materials are attached hereto as Exhibit "B".

C. As part of the State of Nevada Division of Mortgage Lending's requirement for reinstatement of Private Capital LLC's license, Private Capital, LLC is transferring the loan servicing rights to USLS, and Lender agrees to retain the services of USLS in connection with the servicing of a loan or loans ("Loan" or "Loans" as the context requires), upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Services of USLS in Connection with Servicing the Loans. Subject to and in accordance with the terms and conditions set forth in this Agreement, and all applicable laws, Lender instructs and authorizes USLS to, and USLS will perform the following services in connection with servicing each of the Loans:

- (a) Verify, where applicable, that the property encumbered by Lender's deed of trust is insured (at the Borrower's expense) by a sufficient casualty insurance policy and that Borrower has sufficient liability insurance coverage. USLS will hold for the Lender's account such policies and renewals thereof.
- (b) Keep appropriate accounting records on each note and the sums collected thereon, which records will reflect the amounts collected as to principal, interest and late charges, and , if applicable, insurance, taxes and other specified amounts. Those records will be available for review by the Lender during regular business hours at USLS's corporate office.
- (c) Until the total amount due under each note is paid in full:
  - (i) Proceed diligently to collect all payments due under the terms of the note and promptly pay the proper parties, when and if due, principal, interest, late charges, insurance and other specified funds.
  - (ii) In the event the Borrower fails to make any payments to USLS as required by the terms of the note, USLS will take

steps to collect the payment including but not limited to delivering default notices, commencing and pursuing foreclosure procedures, and obtaining representation for Lender in litigation and bankruptcy proceedings as deemed necessary or appropriate by USLS in its business judgment to fully protect the interests of the Lender, and all Lenders in the loan.

- (iii) In its sole discretion, USLS may payoff any Lender at any time by paying the then outstanding balance of Lender's interest in the principal of the Loan, plus all accrued interest and any prepayment penalty or fee, if applicable. Any Lender so paid off shall concurrently execute and deliver therewith to USLS an assignment, in form acceptable to USLS of all of such Lender's right, title, and interest in the Loan (including all documents evidencing the Loan) and in the deed of trust securing the Loan.
- (d) Provide the Lender with regular statements regarding loan collections, but in no event less frequently than annually.
- (e) Without limiting the generality of anything contained herein, Lender hereby authorizes and empowers USLS, on Lender's behalf, to (1) execute and deliver demands for payoff and beneficiary's/Lender's statements of condition and the like; (2) execute and deliver any instruments of satisfaction or cancellation, or of partial or full release, discharge, or reconveyance, or authorizations in connection therewith, with respect to any Loans paid in full and with respect to the related real or personal property securing such Loans; (3) execute and deliver any and all other documents with respect to any loans that are customary and consistent with loan servicing practices pertaining to such loans; (4) consent to modifications of the Loans if the effect of any such modification will not materially or adversely affect the security provided by the real or personal property in connection therewith; (5) institute foreclosure proceedings (judicial or non-judicial), obtain a deed-in-lieu thereof, engage in settlement discussions, and enter into forbearance and other settlement-related agreements (which agreements may contain provisions that release or waive claims against a Borrower or Guarantor; and (6) take title in the name of Lender (in proportion to its interest in the Loan) to any real property upon foreclosure or delivery of a deed-in-lieu thereof. Notwithstanding and foregoing or any other provision contained herein, USLS may not permit any modification to any loan that

would change the interest rate, forgive the payment of any principal or interest (expressly excluding late charges or the difference between default and non-default interest), change the outstanding principal amount, or extend the maturity date, without Lender's prior consent; provided, however, if Lender fails to grant or deny its consent within three business days after the notice from USLS, Lender shall be deemed to have conclusively given its consent.

3. Rights of Lender if USLS Fails to Act. In the event of default, foreclosure, or other matters that require action, if for any reason USLS fails to act on Lender's behalf as authorized herein, then Lender may, with approval of fifty-one percent (51%) or more of all the holders of the beneficial interest of record in the Loan, act on behalf of all such holders of beneficial interest of record. These actions may include, but are not limited to:

- (a) the designation of the servicing agent or other person to act on behalf of the holders of the beneficial interests in the loan; and
- (b) the sale, encumbrance or lease of real property owned by the holders resulting from a foreclosure or the receipt of a deed in lieu of a foreclosure.

4. Legal Proceedings. USLS will assist the Lenders in any necessary foreclosure proceedings to protect the Lender's interest in the note and the deed of trust. Where necessary, in USLS's business judgment, USLS may retain attorneys on Lender's behalf. In USLS's discretion, legal proceedings instituted by USLS pursuant to this Agreement may be pursued in USLS's name only or as agent for Lender. Upon demand by USLS, Lender agrees to promptly pay, either in advance or to reimburse USLS, for its pro rata portion of the out-of-pocket expenses incurred, including attorney's fees, trustee's fee and foreclosure costs. In the event that Lender fails to pay such sums to USLS upon demand or request thereof, or if USLS elects to advance such sums, USLS may, in its discretion, advance such fees, including trustee's fees, attorney's fee, and costs of foreclosure; provided, however, that any fees advanced by USLS shall be paid back from the proceeds of the foreclosure (whether by reinstatement or sale), or from any other monies collected with respect to such Loan, before any payments are made to Lender. In the event of any litigation concerning the Loan, Lender hereby appoints USLS as its agent to accept service of any summons and complaint, naming Lender as a party.

5. Compensation to USLS for Loan Servicing. Lender authorizes USLS to retain monthly, as compensation for services performed hereunder, (a) one-twelfth (1/12<sup>th</sup>) of its annual servicing fee, which is equal to .50% of the total loan principal amount, as indicated herein, (b) 50% of all penalties, and or late charges collected from the borrower pursuant to the terms of the Note, and (c) and 50% of the default interest collected from the Borrower pursuant to the terms of the Note.

Should Lender desire to sell all or any part of its interest in the note and deed of trust, USLS will assist Lender in finding potential buyers and completing the necessary documentation for the transaction. A fee of 5% of the remaining balance of Lender's undivided interest in the note amount will be deducted from the selling price and paid to USLS on all such assignments for which USLS locates the Assignee.

In the event an extension of a Loan is negotiated, USLS shall be entitled to charge a fee therefor from the Borrower pursuant any separate fee agreement between USLS and the Borrower.

6. USLS's Right to Delegate. Notwithstanding anything contained herein, USLS may in its sole discretion delegate specific loan servicing obligations to credit bureaus, real estate tax service companies, real estate brokers or agents, appraisers, attorneys, trustees, or others.

7. No Legal Advice. Lender acknowledges that USLS will not act as Lender's attorney or provide legal advice to Lender, and that Lender is encouraged to seek independent counsel in connection with any questions Lender may have concerning this Agreement, any Loan, USLS's form documents, or any other matter.

8. Term and Termination. This Agreement shall remain in effect until Lender's interest in all notes and deeds of trust serviced by USLS is completely liquidated (unless sooner terminated in accordance with the terms hereof). Lender may, with 30 days written notice to USLS, terminate this Agreement, and the power of attorney granted, if one is granted, under this Agreement, if USLS fails to perform its obligations hereunder. USLS may also with 30 days written notice to Lender, terminate this Agreement for any reason or no reason at all.

9. Lender's Registration. Lender(s) name as listed in this Agreement is the exact form for registration of Lender's interest and for reference to Lender in the Loan Documents.

10. Integration Clause. This Agreement contains the entire agreement between the parties hereto and cannot be modified except by a written amendment signed by both parties. The invalidity of any portion of this Agreement shall in no way affect the balance thereof.

11. Limited Power of Attorney. With respect to each loan, Lender hereby agrees that USLS shall have full power and authority, and Lender hereby appoints USLS as its true and lawful attorney-in-fact to (a) hold the original note(s), and (b) to do all things and take all actions on behalf of Lender which are necessary or convenient to effectuate this Agreement and its intent and to protect Lender's interest under any note, deed of trust, guaranty, security agreement or other document pertaining to any Loan. Upon USLS's

request, Lender hereby agrees to execute and deliver, in the presence of a notary public, a Declaration of Agency and Limited Power of Attorney, in a form consistent with Chapter 645B of the Nevada Revised Statutes, pursuant to which Lender shall further evidence the appointment of USLS as Lender's true and lawful attorney-in-fact to undertake the duties of USLS hereunder. No one shall be required to look beyond such Declaration of Agency and Limited Power of Attorney for evidence of USLS's authority hereunder. All Declarations of Agency and Limited Powers of Attorney may include the language: This document may be executed with counterpart signature pages, and the document with all counterpart signature pages shall constitute one and the same instrument.

12. Release and Indemnification. Lender acknowledges that USLS is entering this Agreement due to the fact that Private Capital LLC can no longer service the Loan(s), and that it is a benefit to Lender for USLS to enter this Agreement. As consideration for this Agreement, Lender hereby expressly releases USLS for any and all claims, liabilities, damages or losses, of any nature, that Lender incurs or has incurred (a) as a direct or indirect result of Private Capital LLC's activities with regard to origination and/or servicing of the Loan(s), and/or (b) due to any occurrence or activity with regard to the Loan(s) that was not caused by USLS's sole and absolute conduct. In addition, Lender shall indemnify, defend, and hold USLS harmless from any claims, damages, losses, of any nature, including attorney's fees and costs that USLS may incur, pay, or become obligated to pay (a) as a direct or indirect result of Private Capital LLC's activities with regard to origination and/or servicing of the Loan(s), and/or (b) due to any occurrence or activity regarding the Loan(s) that was not caused by USLS's sole and absolute conduct.

13. Notices. All notices, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been given (i) when personally delivered, or (ii) on receipt, when deposited with a recognized overnight courier service such as Federal Express or DHL, or (iii) three (3) business days after the date when deposited in the United States mail and sent postage prepaid by registered or certified mail, return receipt requested, addressed as follows:

If to USLS: US Loan Servicing  
9670 W. Tropicana Ave. Ste 100  
Las Vegas, Nevada 89121-5030  
Attention:

If to Lender:

Attention:

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

14. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Nevada, without regard to the conflict of laws or rules thereof, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws,

15. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

16. Attorney's Fees. In the event any party hereto brings an action to enforce any of the provisions of this Agreement, the prevailing party shall be entitled to costs, expenses and attorneys' fees, including such costs, expenses and fees as may be incurred on appeal.

17. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties' respective successors and assigns.

18. Headings. Sections headings used in this Agreement are for convenience only shall not affect the meaning or interpretation of this Agreement.

19. Authority. Each party represents and warrants to the other party that it is duly authorized to execute, deliver and perform this Agreement. Lender acknowledges that this Agreement shall not be in force until accepted and signed by USLS.

IN WITNESS WHEREOF, the parties hereto have signed, sealed. Acknowledged and delivered this instrument the day and year first above written.

LENDER:

US LOAN SERVICING:

By: \_\_\_\_\_

By:

\_\_\_\_\_

Mark G. Gross, President

Name: \_\_\_\_\_

DATED:

\_\_\_\_\_

Title: \_\_\_\_\_

DATED: \_\_\_\_\_